



DISA Limited  
(Company Registration No. 197501110N)  
(Incorporated in the Republic of Singapore)  
("Company" and together with its subsidiaries, the "Group")

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## PROPOSED CONSOLIDATION OF EVERY FIFTEEN (15) EXISTING ISSUED ORDINARY SHARES IN THE COMPANY INTO ONE (1) ORDINARY SHARE IN THE CAPITAL OF THE COMPANY

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### 1. INTRODUCTION

The board of directors (the "Board" or "Directors") of the Company is pleased to announce a proposed share consolidation of every fifteen (15) existing issued ordinary shares in the capital of the Company ("Shares") held by shareholders of the Company (the "Shareholders") as at a record date to be determined by the Directors ("Record Date") into one (1) ordinary share (collectively, referred to as the "Consolidated Shares" and each, a "Consolidated Share"), fractional entitlements to be disregarded (the "Proposed Share Consolidation").

### 2. DETAILS OF THE PROPOSED SHARE CONSOLIDATION

#### 2.1 Overview of the Proposed Share Consolidation

The Proposed Share Consolidation is subject to Shareholders' approval being obtained at the Extraordinary General Meeting ("EGM") to be convened. Under the Proposed Share Consolidation, every fifteen (15) existing Shares registered in the name of each Shareholder as at the Record Date will be consolidated into one (1) Consolidated Share, fractional entitlements to be disregarded. Each Consolidated Share will rank *pari passu* in all respects with each other, and will be traded in board lots of 100 Consolidated Shares.

**Shareholders should note that the number of Consolidated Shares which they will be entitled to pursuant to the Proposed Share Consolidation, based on their holdings of the existing Shares as at the Record Date, will be rounded down to the nearest whole Consolidated Share and any fractions of a Consolidated Share arising from the Proposed Share Consolidation will be disregarded without compensation to the affected Shareholders. All fractional entitlements arising upon the implementation of the Proposed Share Consolidation will be aggregated and dealt with in such manner as the Directors may, in their sole and absolute discretion, deem fit in the interests of the Company, including (i) aggregating and cancelling the same, or (ii) aggregating and selling the same and retaining the net proceeds for the benefit of the Company. Shareholders should also note that in the event the Directors, in their absolute discretion, decide to cancel the aggregated fractions of Consolidated Shares arising from the Proposed Share Consolidation, affected Shareholders will not be paid for any fractional shares cancelled and not issued. Notwithstanding the above, Shareholders should note that the Proposed Share Consolidation is subject to such approvals and conditions as described in the paragraph 2.3 below.**

Shareholders whose shareholding, as at the Record Date, is less than fifteen (15) existing Shares or multiples of fifteen (15) existing Shares should note that the Proposed Share Consolidation may result in (i) such Shareholders being no longer Shareholders or (ii) rounding down to the nearest whole Consolidated Share with any fractions of Consolidated Shares (arising from the Proposed Share Consolidation) being disregarded. Accordingly, they should consult their stockbroker, bank manager, solicitor, accountant or other professional adviser immediately. They may, subject to such advice on actions that they should take and their own investment policies and risk/return requirements, consider the possibility of purchasing additional Shares so as to increase the number of existing Shares held to multiples of fifteen (15) existing Shares prior to the Record Date.

As at the date of this announcement, the issued and paid up share capital of the Company is approximately S\$58,884,000 consisting of 10,106,683,403 Shares (excluding treasury shares and subsidiary holdings). Assuming that no new Shares will be issued by the Company during the period from the date of the announcement to the Record Date, the Company will have an issued share capital of 673,778,893 Consolidated Shares (subject to rounding), following the completion of the Proposed Share Consolidation. Based on the last trading price of S\$0.002 for trades done on the Catalist board ("**Catalist**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 26 April 2024, the theoretical trading price of each Consolidated Share after the Proposed Share Consolidation will be S\$0.03.

As at the date of this announcement, the Company has unexercised share options pursuant to the DISA Employee Share Option Scheme 2010 and DISA Employee Share Option Scheme 2021 ("**ESOS**") in respect of 1,323,000,000 new Shares which have yet to be allotted and issued ("**Options**"). As a consequence of the Proposed Share Consolidation, and pursuant to the terms of the ESOS, adjustments will be made to the number of Shares to be issued upon exercise of and/or exercise price of the outstanding Options accordingly. Such adjustments must be confirmed in writing by the auditors of the Company (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable. Further announcement(s) may be made by the Company in respect of such adjustments as and when appropriate.

The Proposed Share Consolidation will have no impact on the dollar value of the issued and paid-up share capital of the Company. The Proposed Share Consolidation will not involve the diminution of any liability in respect of unpaid capital or the payment to any Shareholder of any paid-up capital of the Company, and has no effect on the Shareholders' funds of the Group. Shareholders will not be required to make any payment to the Company in respect of the Proposed Share Consolidation. The Proposed Share Consolidation will not cause any material changes to the percentage shareholding of each Shareholder, other than non-material changes due to rounding and the disregard of the fractional entitlements.

## **2.2 Rationale for the Proposed Share Consolidation**

The Board believes that the Proposed Share Consolidation will generally be beneficial to the Company and its Shareholders for the following reasons:

(i) Reduction in volatility of the Share price

The absolute price of the Shares of the Company traded on Catalist has also been closing at a low level, with the last traded Share prices ranging between S\$0.001 and S\$0.003 in the past 6 months before the date of this announcement.

As share trading may involve certain minimum fixed expenses (such as minimum brokerage fees), trading in lowly-priced shares may translate to higher transaction costs, relative to the trading price, for each trading of one board lot of Shares. In addition, low traded share prices are generally more prone to speculation and market manipulation, which may result in excessive Share price volatility. The Directors believe that the Proposed Share Consolidation serve to reduce short-term Share price volatility and offset the effects of short-term Share price speculation, reduce fluctuations in the Company's market capitalisation and reduce the percentage transaction cost for trading in each board lot of Shares.

(ii) Increase in the market interest and attractiveness of the Company and its Shares

The Proposed Share Consolidation will rationalise the share capital of the Company by reducing the number of Shares issued and outstanding. It is expected that, all other things being equal, the theoretical trading price and net tangible asset ("**NTA**") of each Consolidated Share following the decrease in the number of Shares in issue after the Proposed Share Consolidation would be higher than the current trading price and NTA of each existing Share.

In addition, the Proposed Share Consolidation may also increase market interest and activity in the Shares, and generally make the Shares more attractive to investors, including institutional investors, thus providing a more diverse Shareholder base. Accordingly, the Directors believe that the Proposed Share Consolidation would be beneficial to the Company and the Shareholders.

(iii) Satisfaction of the minimum bid size prescribed by the SGX-ST

The Company may, from time to time, undertake corporate actions which may involve the issue of new Shares. The volume-weighted average price (the “VWAP”) of the Shares for the period of 6 months prior to the date of this announcement was approximately S\$0.002, being close to the minimum bid size of S\$0.001 prescribed by the SGX-ST. Following the Proposed Share Consolidation, the commercial terms of any corporate action the Company may undertake in the near future, such as rights issue exercise, which may require the issue of new Shares at a discount to the prevailing trading price of the Shares. Accordingly, to facilitate any such future corporate action, the Company proposes to carry out the Proposed Share Consolidation.

**However, Shareholders should note that there is no assurance that the Proposed Share Consolidation will achieve the desired results described above or benefit all Shareholders, nor is there assurance that such results (if achieved) can be sustained in the longer term.**

## 2.3 APPROVALS AND CONDITIONS

The Proposed Share Consolidation is subject to, *inter alia*:

- (a) the receipt of the listing and quotation (“LQN”) from the SGX-ST for the dealing in, listing of and quotation for the Consolidated Shares on Catalist and such approval not having been withdrawn or revoked on or prior to the completion of the Proposed Share Consolidation; and
- (b) the approval of Shareholders by ordinary resolution at EGM to be held in due course.

An application will be made, through the Sponsor, to the SGX-ST for permission to deal in and for the listing of and quotation for the Consolidated Shares on Catalist. An appropriate announcement on the outcome of the application will be made in due course.

## 3. CIRCULAR TO SHAREHOLDERS

In connection with the Proposed Share Consolidation, a circular containing, *inter alia*, the notice of the EGM and the details of the Proposed Share Consolidation (“Circular”) will be disseminated to Shareholders in due course.

## BY ORDER OF THE BOARD

Chng Weng Wah  
Managing Director and Chief Executive Officer  
29 April 2024

*This announcement has been reviewed by the Company’s sponsor, SAC Capital Private Limited (“Sponsor”). This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (“SGX-ST”) and the SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.*

*The contact person for the Sponsor is Ms. Lee Khai Yinn (Registered Professional, SAC Capital Private Limited). Address: 1 Robinson Road, #21-00 AIA Tower, Singapore 048542. Telephone number: +65 6232 3210.*